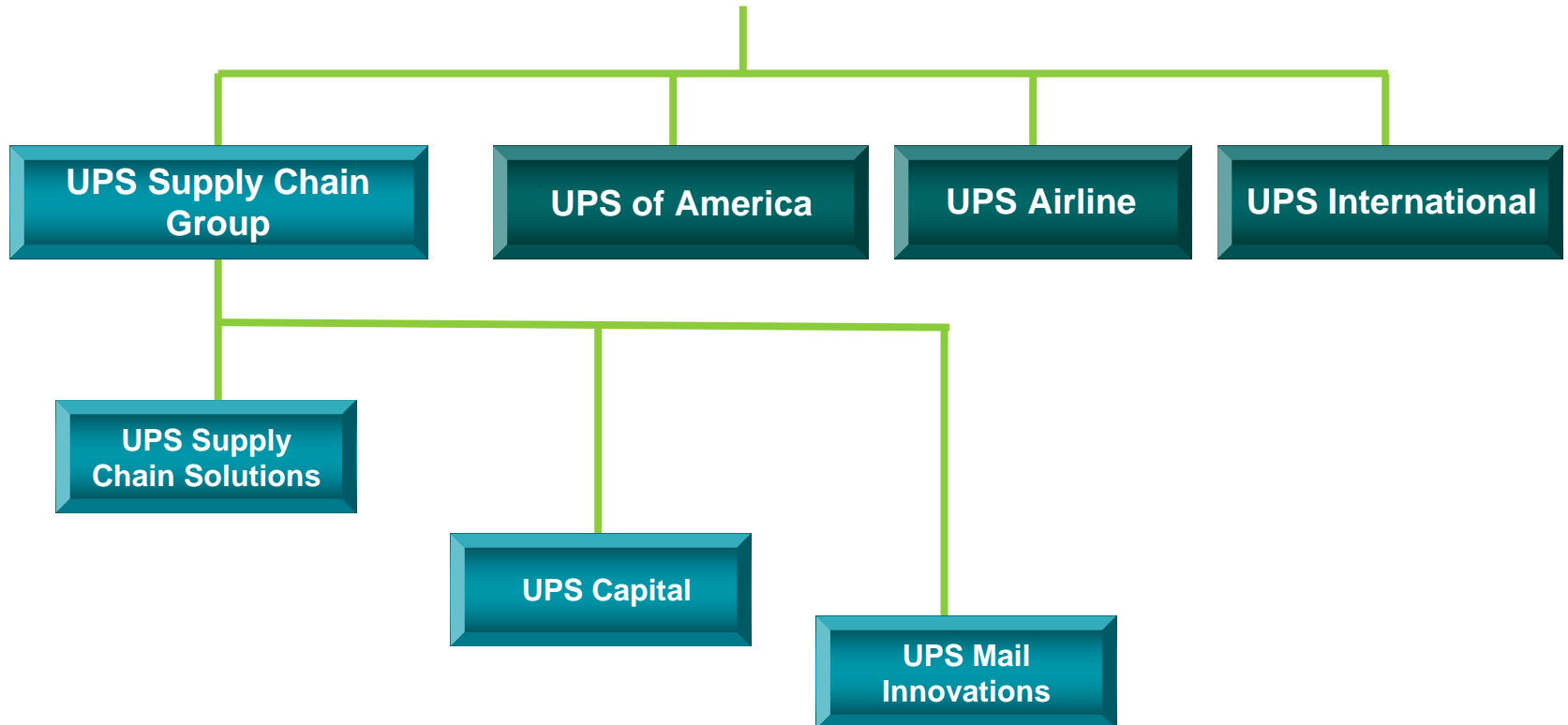


UPS Supply Chain SolutionsSM Capabilities Overview



February 23, 2005

Sean Caulfield



A Single Source for Your Supply Chain



UPS Supply Chain Solutions' growth strategy

Supply Chain Solutions strategy is to grow utilizing the strength and stability of its parent company.

Grow in market adjacencies (close to core)

Leverage UPS infrastructure

- IT network
- Engineering prowess
- Operational excellence
- Activity based costing methodology
- Airline assets
- Worldwide delivery network

Bundled solutions offer greater value

- Financial – Information – Goods

Leverage UPS brand

Menlo Worldwide Forwarding

A market leader in international air, North American overnight, expedited, second-day and deferred air freight

- Headquarters in Redwood City, CA
- Annual revenue of \$1.9 billion in 2003
- Operations in over 500 worldwide locations
 - 8 North American gateways
 - 8 North American regional hubs
 - 2 worldwide hubs
- Moves 7.5 million pounds daily
- Manages 17,000 air shipments daily
- Manages 75,000 ocean shipments annually



UPS

World's largest package delivery company and a global leader in supply chain services

- Revenue of \$33 billion in 2003
- Moves 6% of U.S. GDP
- Serves more than 200 countries and territories around the world
- 357,000 employees; 4th largest U.S. employer
- World's 11th largest airline
- World's largest wireless network
- World's largest private database
- 1 of 8 AAA rated companies
- 97 years of experience



Combined Capabilities

Menlo Worldwide Forwarding complements UPS Supply Chain Solutions existing portfolio and adds capabilities in specific areas.

UPS Supply Chain Solutions	Menlo Worldwide Forwarding	New Company
<ul style="list-style-type: none">• One of world's leading providers of integrated logistics and supply chain solutions• The global leader in international trade services• 10th largest U.S. air export forwarder• 11th largest international air forwarder• 436,000 ocean shipments annually• Operations in over 120 countries, 750 facilities, 25m sq. ft. of warehouse space	<ul style="list-style-type: none">• Market leader in heavy domestic air freight• Largest U.S. air export forwarder for shipments over 70 lbs.• 13th largest international air forwarder• 17,000 air shipments daily• 75,000 ocean shipments annually• 7.5 million pounds daily• 1,575,000 EDI transactions per month	<ul style="list-style-type: none">• Global leader in logistics, trade and freight services• 2nd largest U.S. air export forwarder• 5th largest international air forwarder• 511,000 ocean shipments annually• Deep experience in key industries• Expanded operations, greater reach

Broad Service Capabilities

Integrated, Independent, Scalable

Supply Chain Design and Planning	Logistics and Distribution Services	Transportation and Freight Services	International Trade Services
<ul style="list-style-type: none">• Transportation and Site Optimization• Distribution Center Design• Consulting Services	<ul style="list-style-type: none">• Order Fulfillment• Critical Order Fulfillment• Reverse Logistics• Parts Planning• Supplier Management	<ul style="list-style-type: none">• Air• Ocean• Rail/Intermodal• Road	<ul style="list-style-type: none">• Trade Management• Trade Consulting• Trade Tools• Customs Brokerage



Supply Chains. Synchronized.

We don't just synchronize deliveries.
We synchronize transportation around the world.



Transportation & Freight

UPS Supply Chain Solutions offers a single-source solution to manage your transportation and freight, giving you the capacity to extend your global business reach. Our expert staff can design the most effective solution for your company using a vast network of air, ocean, rail or road transportation modes.

Overcoming Freight Challenges

The complexities of shipping oversize or heavy freight can be challenging. Your company requires a trusted provider to deliver your freight where it needs to be - on time and without hidden fees or costs.

UPS Supply Chain Solutions can help. We provide specialized freight services to meet the needs of customers with heavy freight shipments that fall outside the standard UPS package offerings due to shipment size or weight.

If you occasionally move less-than-truckload (LTL) or truckload shipments inbound or outbound, UPS Supply Chain Solutions provides a smart alternative with the proven freight experience to help your company succeed.

Service options for time sensitive heavyweight freight:

Express LTL - one to three day time definite service

Express truckload

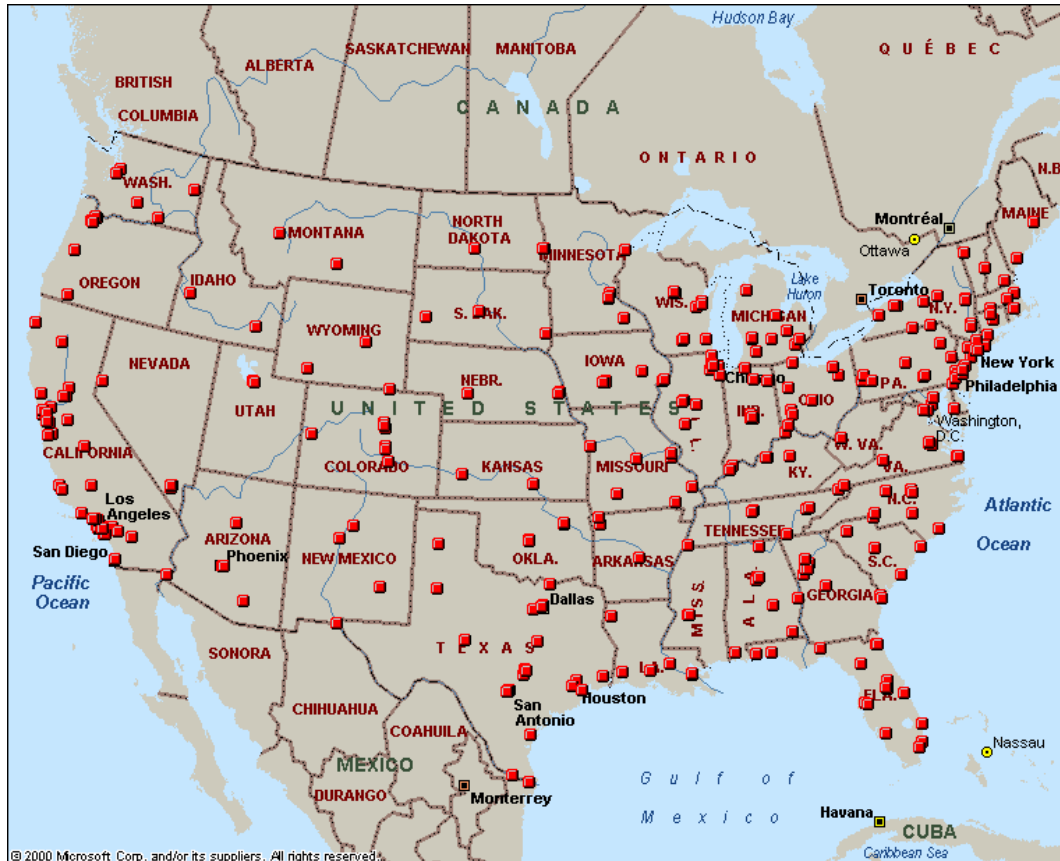
Hot shots - exclusive use of equipment to meet time critical delivery

Service options for occasional freight that is less time sensitive:

Standard LTL

Standard truckload

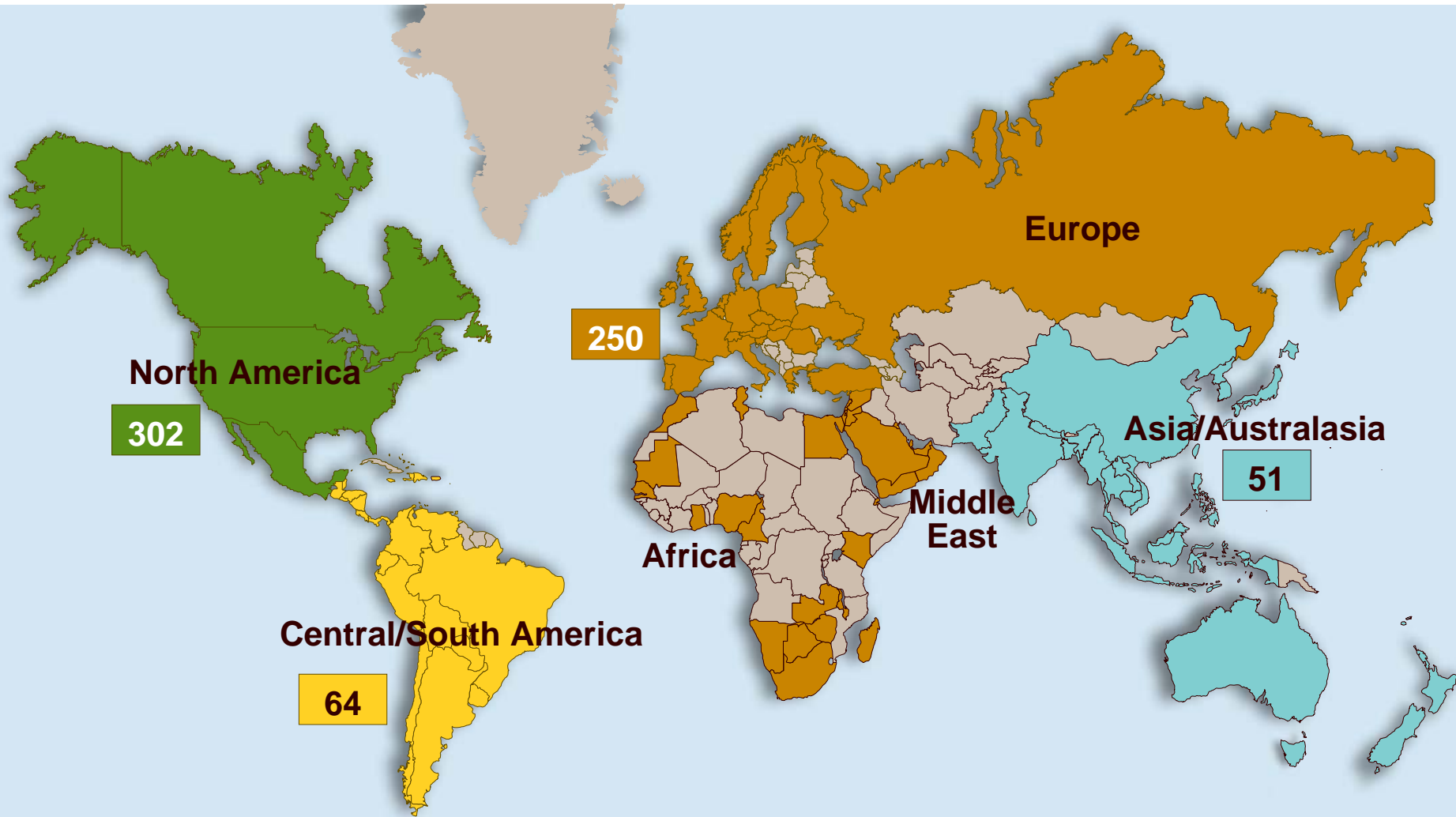
UPS SCS US Facilities



Over 175 UPS SCS Group Locations Across the United States

- Client Distribution Centers
- Dedicated Transportation Locations
- Service Parts Centers

Global Network of Distribution Centers and 650+ Field Stocking Locations



■ No Presence

Worldport (Louisville Air Hub)



6.6 million ft²

**Throughput in
excess of 300K
parcels / hour**

**19750 conveyors
(80 miles)**

Louisville Technology Center



Product configuration

Subassembly, kitting and repackaging

Product testing and repair (24 to 48 hour turnaround)

Critical parts deployment

Emergency credit card preparation

2 million ft² on 150 acres

More than 120,000 orders processed each day

Multi-client and dedicated facilities

Services provided to more than 70 clients

End-of-runway access to the UPS Worldport Air Hub

Orders prepared as late as 1 a.m. for UPS Next Day delivery

Awards and Recognition

Offering proven experience and expertise to our clients

- Menlo Worldwide Forwarding awarded *Logistics Management* magazine's 2004 **"Quest For Quality Award"** in the categories of Air Express and Expedited Motor Carriers
- Menlo Worldwide Forwarding was named Roche Colorado Corporation's 2003 **"Vendor of the Year for Service"**
- Menlo Worldwide Forwarding awarded the National Defense Transportation Association **"NDTA Distinguished Service Award"** 2002, 2003
- *FORTUNE* magazine rated UPS as **"World's Most Admired"** company in its industry for sixth consecutive year
- *Transport Topics* ranked UPS Supply Chain Solutions the **No. 1 Third-Party Logistics provider**
- UPS Supply Chain Solutions **rated No. 1 in *Inbound Logistics*'** annual "Top 10 3PL Excellence Awards" survey
- UPS Supply Chain Solutions won the ***World Trade Supply Chain Technology Innovation Award***
- UPS Supply Chain Solutions named **"Best in Breed"** by *Consumer Goods Technology* magazine
- UPS Supply Chain Solutions named **"Company of the Year"** by the Traffic Club of New York for its leadership in the logistics and transportation industries

Why UPS Supply Chain Solutions?

One provider to meet your needs — globally

- Commitment to customer satisfaction
- More comprehensive service capabilities
- Established and stronger global infrastructure
- Innovative technologies for information and reporting
- Highly trained team of supply chain professionals
- Experience with leading companies in key sectors
- Proven ability to implement comprehensive solutions



**Backed by the power and
global network of UPS**